Supreme Court of the United States

OCTOBER TERM, 1947

No. 842 - 843

In the Matter

of

COMMUNITY GAS AND POWER COMPANY,
AMERICAN GAS AND POWER COMPANY.

JOHN VANNECK and PAUL C. MORAN, as Trustees under the Last Will and Testament of MARION P. BROOKMAN, deceased, and GABRIEL CAPLAN and others, on behalf of themselves and all debentureholders of AMERICAN GAS AND POWER COMPANY, similarly situated,

Petitioners,

against

SECURITIES AND EXCHANGE COMMISSION, COMMUNITY GAS AND POWER COMPANY, AMERICAN GAS AND POWER COMPANY and MINNEAPOLIS GAS LIGHT COMPANY,

Respondents.

PETITION FOR WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

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PETITION FOR WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

To the Hon. Fred M. Vinson, Chief Justice, and the Associate Justices of the Supreme Court of the United States:

The petition of John Vanneck and Paul C. Moran, as Trustees under the Last Will and Testament of Marion P. Brookman, deceased, and Gabriel Caplan, et al., debentureholders of American Gas and Power Company, prays that Writs of Certiorari issue to review the judg-

ments of the United States Circuit Court of Appeals for the Third Circuit, entered in the above proceeding on May 3, 1948 (R. 212, 213), affirming an order of the District Court of the United States for the District of Delaware (R. 175a), approving and enforcing a plan of reorganization of Community Gas and Power Company and American Gas and Power Company, filed pursuant to Section 11(e) of the Public Utility Holding Company Act of 1935. That plan had been approved by the Securities and Exchange Commission (R. 167a).

Opinions Below

The opinion of the Circuit Court of Appeals for the Third Circuit (R. 204-211) is not yet reported. The opinion of the District Judge (R. 169a) is reported in 71 F. Supp. 171. The findings and opinion of the Securities and Exchange Commission and the supplements thereto (R. 62a, 123a, 132a) are not yet reported.

Jurisdiction

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code, as amended (28 U. S. C. A. Sec. 347(a)).

Statute Involved

The statute involved is the Public Utility Holding Company Act of 1935 (15 U. S. C. A. 79) and particularly Sections 11 and 26(c) thereof (15 U. S. C. A. 79k, z(w). The pertinent provisions are set forth herein where appropriate.

Statement of the Case

The order of the District Court appealed from undertook to enforce an amended plan filed under Section 11(e)

of the Public Utility Holding Company Act of 1935 (Holding Company Act) which had been filed by Community Gas and Power Company and American Gas and Power Company (American) and had been approved by the Securities and Exchange Commission (Commission). The 11(e) plan undertook to dissolve American which has outstanding $10,328,000 principal amount of secured debentures and 189,637.5 shares of common stock, in addition to certain certificates of indebtedness and common stock warrants.

The debentures are secured by collateral now held by the New York Trust Company, as Trustee, consisting of $3,411,870.12 in cash and all of the common stock of Minneapolis Gas Light Company (Minneapolis), the sole remaining subsidiary of American.

The amended 11(e) plan, as approved by the Commission, directs that:

(1) The Debenture Trustee release to Minneapolis for its corporate purposes the $3,411,870.12 of cash and surrender for cancellation all of the common stock of Minneapolis, the collateral held by the Debenture Trustee as security for the payment of the American debentures;

(2) Minneapolis be merged into American, which would change its name to Minneapolis and issue, inter alia, 1,090,382.16 shares of new common stock;

(3) The debentureholders receive 80.16% of the new common stock of Minneapolis in satisfaction and cancellation of their debentures, while the remaining 19.84% of new Minneapolis stock be distributed to the present common stock and warrant holders of American.

Thus, the lien of the debentureholders is destroyed; they are compelled to accept a portion of their collateral in full satisfaction of their claim and release the balance to the common stockholders of American.

Rulings of the Court Below

The District and Circuit Courts held the plan fair and equitable to all classes of security holders of American and, in so doing, overruled the objections of the debentureholders:

That the Commission lacked the power

(1) to satisfy the claims of secured debentureholders by payment other than in cash;

(2) to vitiate the pledge and deprive the debentureholders of their rights thereunder.

These contentions were, in turn, based upon the argument that

(a) Congress had not, expressly or impliedly, granted the Commission such powers under the terms of the Holding Company Act; that Congress has never granted such powers, except expressly; and that the general reorganization power does not embrace such powers; and

(b) the destruction of the pledge was not "necessary", as that term is used in Section 11(e) of the Holding Company Act.

Neither the District nor the Circuit Court, in their respective opinions, answered these contentions, but both Courts contented themselves with saying that

(a) The Commission's power to direct the satisfaction of unsecured debt by distribution in kind had been decided

by the Third Circuit in *In re Standard Gas and Electric Co.*, 151 F. 2d 326 (1945),* and

(b) That the principle so enunciated in the *Standard Gas* case had equal application to the satisfaction of secured debt.

Questions Presented

(1) Does the Holding Company Act grant power to the Commission to approve, and to the District Court to approve and enforce, a plan under Section 11(e), which divests the debentureholders of the cash and securities pledged for their benefit and compels them to accept in satisfaction of their secured claims only a portion of the pledged property?

(2) May debt, secured or unsecured, be satisfied by payment other than in cash under the provisions of the Holding Company Act?

(3) Is the destruction of the pledge "necessary" as that term is used in Section 11(e) of the Holding Company Act?

Reasons Relied On for Allowance of the Writs

The reasons relied on by petitioners for allowance of writs of certiorari by this Court are:

(1) A doctrine involving important questions of Federal law has been enunciated by the Court of Appeals for the

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* This decision was followed by application to this Court for a writ of certiorari, and such writ was denied (327 U. S. 796, 66 S. Ct. 820 (1946)). However, before such denial, the proceeding had been remanded to the Commission by the District Court, and the plan had been changed by the proponent so as to pay the debt in cash (*Standard Gas & Elec. Co.*, Holding Co. Act Release No. 6435). The Commission brought these facts to the attention of this Court, thereby demonstrating, while the application for the writ was pending, that the issues thereunder would become moot.

Third Circuit, based upon and extending the ruling of that Court in the *Standard Gas* case.

The determination of these questions are of first impression and dispose of important legal issues, none of which has been, but should be, settled by this Court.

(2) The questions involved in the issues here presented require construction of the Holding Company Act and the intention of Congress thereunder, which are of grave import and of sweeping effect upon the status of public investors and public investments.

(3) The doctrine of the Third Circuit Court of Appeals here involved changes radically pre-existing judicial principles, including declarations of this Court, as to the construction of Congressional intent under the Bankruptcy Act, and reorganization statutes.

(4) The decision of the Third Circuit, if not reversed, will result in a radical change in the status of secured bondholders in reorganization proceedings before the Commission.

(5) The decision of the Third Circuit Court of Appeals affirms a radical departure by the Commission from pre-existing practice of satisfying secured debt by cash payment in reorganizations under the Holding Company Act.

ARGUMENT

(A) The Holding Company Act does not grant power to the Commission or the District Courts to divest the debentureholders of their lien and to compel secured creditors to accept only a portion of the collateral pledged for their benefit.

We recognize that this Court has held that the Holding Company Act permits the Commission to compel preferred

stockholders to accept stock in a reorganized company in satisfaction of their claims (*Otis & Co.* v. *Securities and Exchange Commission*, 323 U. S. 624).

Arguendo, we recognize that the Court of Appeals for the Third Circuit has held that unsecured creditors of a solvent public utility company may be compelled to accept portfolio stock in satisfaction of their claims. *In re Standard Gas and Electric Co.*, 151 F. 2d 326. But under no circumstances and in no case, except in the instant one, has any Court ever held that such treatment can be given to *secured* creditors. No Court has ever held that Congress granted the Commission, by the terms of the Holding Company Act, the power to void liens and to appropriate to general corporate purposes specific property mortgaged and pledged as security for debt. We believe no Court should ever do so.

The rationale of the *Otis* and *Standard Gas* decisions is that the power to reorganize under the Holding Company Act carries with it the power to pay preferred stockholders and unsecured creditors in kind. Here the question is whether the power of reorganization imports the unusual and extreme power to destroy liens and divert pledged property to other purposes.

The Circuit Court in the *Standard Gas* case pointed up the distinction, affirming the protected category of the lienholder (151 F. 2d 326, 330):

> "Persons who put money into a corporate enterprise do not, of course, all stand on the same plane in regard to their rights and duties. *The bondholder may have a specific lien on the corporate assets.* * * * *A noteholder, after all, has only a claim to be paid from corporate assets after security holders with specific liens are paid.*" (Italics ours.)

In the present plan, the secured debentureholders are required to give up their lien, receiving only 80% of the pledged securities and none of the pledged cash held by their trustee. The question now is whether the Commis-

sion has the power to ignore the vested property interests of the holders of secured debentures and to deal with them as though there were no pledge.

The issue cannot be decided as though the difference between payment in kind of an unsecured debt and the destruction of a pledge is a mere difference of degree, a distance that can be spanned by merely stretching the effect of the *Otis* and *Standard Gas* cases. It cannot be so decided because we are dealing here with a difference in kind and not merely a difference in degree. The difference in kind here involved is the legally significant difference between lien property interests and mere contract claims. This difference has long been recognized by our Courts as a fundamental concept of our law.

> *Louisville Joint Stock Land Bank* v. *Radford,* 295 U. S. 555, 55 S. Ct. 854;
> *Ginsberg* v. *Lindel,* 107 F. 2d 721;
> *In re Chicago, R. I. & P. Ry. Co.,* 90 F. 2d 312.

In the *Radford* case in holding the Frazier-Lemke Act unconstitutional this Court reiterated the principle (pp. 588-589):

> "It is true that the position of a secured creditor, who has rights in specific property, differs fundamentally from that of an unsecured creditor, who has none; and that the Frazier-Lemke Act is the first instance of an attempt, by a bankruptcy act, to abridge, solely in the interest of the mortgagor, a substantive right of the mortgagee in specific property held as security."

While the Third Circuit decided in the *Standard Gas* case that this Court's decision in the *Otis* case should be extended to support a power to satisfy unsecured creditors' claims by distribution in kind, the same reasoning does not apply to an extreme and disassociated power, the power to void liens.

There is not a single word in Section 11, or indeed in the entire Act, *expressly* granting the power the Commis-

sion has presumed to exercise. Nor can there be a valid claim that such a power was granted by implication. This Court has never rested such a drastic power upon mere implication and surmise. It is not lightly to be presumed that Congress sought to infringe on "very sacred rights." *Milwaukee Publishing Co.* v. *Burleson,* 255 U. S. 407, 438. This Court stated in *Kirschbaum Co.* v. *Walling,* 316 U. S. 517, 522:

> "* * * those charged with the duty of legislating are reasonably explicit and do not entrust its attainment to that retrospective expansion of meaning which properly deserves the stigma of judicial legislation."

Certainly, it cannot be said that because the power to void liens is not expressly denied, that drastic power is to be implied. In *In re Kerby-Dennis Co.,* 95 Fed. 116, the Court of Appeals for the Seventh Circuit said (p. 119):

> "It is also urged that since the bankruptcy act does not, as did a former bankruptcy act, expressly reserve liens of this character, therefore they are not entitled to protection. It is possible, perhaps, for Congress to interfere with vested rights, and to impair obligations of contracts; but such legislation would be opposed to equity and good conscience, and the intention of Congress so to enact cannot be presumed, in the absence of clear and unmistakable expression."

When we examine the nature of the interests of the holders of the secured debentures of American, the historical background of the pertinent legislation and the practical construction which has been given to the Act by the Commission itself, the same conclusion is reached.

1. The rights of a pledgee are well defined. The pledgee has a right of primary recourse to the pledged security for the satisfaction of his debt. He has a right of recourse to all of the security and not simply to a portion of it. He depends not on insolvency or reorganization for the vesting

of his rights; from the inception of the pledge he has a lien which he may retain until the debt secured is paid. He has the right to realize the fair market value of his security by judicial sale at public auction and the privilege of bidding for the property at such a sale so as to assure the application of the security to the satisfaction of his debt, either through receipt of the proceeds of a fair competitive sale or by taking the property itself.

Louisville Joint Stock Land Bank v. *Radford,* 295 U. S. 555;
Collins v. *Riggs,* 14 Wall. 491;
Jones, *"Collateral Securities and Pledges"* (Third Ed.), Sec. 372, p. 455.

Thus the basic test of value in discharging a mortgage or lien is market value, not predicted future earnings, for what is inherent in the pledge, and what constitutes its value to the pledgee, is the assurance that he may sell the collateral to realize a capital return which, at market, will be equivalent to the face of the obligation. Of this the debentureholders of American are deprived by the order of which we seek review since, not only is sale denied them, but they are compelled to take a portion of the collateral upon an estimated and hoped for future earnings basis, as though they were mere preferred stockholders or unsecured creditors.

2. Prior to the enactment of Sections 77 and 77B of the Bankruptcy Act in 1933 and 1934 and of Chapter X thereof in 1938, Congress never attempted to exercise or delegate power to affect liens. The Courts accordingly held that the failure to provide expressly that liens might be voided under the provisions of the Bankruptcy Act, by necessary implication preserved them from violation. *Straton* v. *New,* 283 U. S. 318, 332.

Reorganization, during that period, was confined to general equity proceedings and these were effected with due

regard for the rights of lien holders. *Kansas City Railway* v. *Central Union etc. Co.*, 271 U. S. 445; *Schmidtman* v. *Atlantic Phosphate and Oil Corp.*, 230 Fed. 769. In bankruptcy, even the remedy of sale free of liens was exercised under the limitation that the lien should attach to the proceeds. *Van Huffel* v. *Harkelrode*, 284 U. S. 225, 231. And in enforcing such acts as the Sherman Anti-Trust Law and the Hepburn Act, the Courts went no further than to apportion a mortgage lien where it was essential to do so to effectuate the policy of the Act. *Continental Insurance Co.* v. *U. S.*, 259 U. S. 156.

When, by Sections 77 and 77B of the Bankruptcy Act and Chapter X, the power to deal with liens was specifically conferred by Congress upon the bankruptcy and reorganization courts, the grant was not only express but was hedged about with numerous restrictive provisos for the protection of the lien holders. Consents of two-thirds of the lien holders as a class were necessary for confirmation of any plan affecting such lien; where less than such two-thirds consented, the creditors' right was protected by preserving their claim to either the specific property subject to the lien or to the proceeds of any sale thereof or by appraisal and payment in cash of the amount of their claims (Section 77, subdivisions (b)(5), (e), (o); Section 77B, subdivisions (b)(5), (e); Chapter X, Sections 179, 216(7)).

Yet, it is now asserted that in the Holding Company Act Congress by implication conferred this extreme power upon the Commission, without statutory restriction.

An examination of the intervening Holding Company Act, sandwiched, in point of time, between the cautiously-worded Sections 77 and 77B in 1933 and 1934, and the restraints of Chapter X in 1938, shows clearly that Congress intended to and did grant to the Commission only the general power to reorganize, denuded of any suspicion of intent to grant the extreme powers concerning liens delegated to the reorganization Courts during the thirties for

the first time, in consequence of and to alleviate grave and widespread corporate financial emergencies resulting from an unprecedented economic depression.

An examination of the Act itself for its grants of power discloses a complete lack of reference to utility pledges or mortgages.

In the preamble to the Act (Sec. 1) there is not a single reference to any abuse flowing from the issuance of secured indebtedness. In Section 2, the only reference to a bond is in subsection 16 which defines a security, an all-inclusive definition necessitated by the grant of jurisdiction in the later sections over the issuance and sale of utility securities.

Throughout the Act, there is not a single reference to secured debt, or the liens thereof, upon which can be based a claim that Congress intended to give the Commission jurisdiction to deal with them in manner other than in accord with their pledge.

Section 11(e) authorizes a plan "for the divestment of control, securities, or other assets, or for other action." Again, in referring to divestment, there is no mention of secured debt or lien.

We find nothing in the Act that grants or suggests this extraordinary power of denying vested property rights that were left undisturbed by Congress for almost a century and a half and were interfered with by Congress, under conditions of extreme urgency, expressly, conditionally and under definite safeguards, only in the bankruptcy reorganization statutes of the depression thirties.

Indeed, the single reference * to liens in the Act is contained in Section 26(c) which proclaims their sanctity and marks the intention of Congress to leave them undisturbed.

The Congressional debates are barren on the subject of debt securities in general with the exception of a statement by Congressman Eicher in which he referred to indebted-

* Aside from that in Section 7 relating to the issuance of new debt securities.

ness, but gave no indication that the Act contemplated the destruction of mortgage liens; on the contrary, he indicated what he thought had been extreme treatment for a lien holder when he said that "the courts have even gone so far as to permit the equitable apportionment among several properties of a general mortgage lien theretofore attaching to those properties as an indivisible whole, without accelerating the maturity date of the mortgage, if the segregation of those properties is necessary to conform to the policy of the Federal statutory law".* Of course, shifting of a lien from the whole to its parts no more imports destruction of the lien than the bankruptcy practice of selling free of a lien which attaches to the proceeds.

3. That there is present no "necessary implication" of the drastic power the Commission is assuming is also apparent from the practical interpretation given the Act by the Commission itself in a decade of its administration of the Act.

It has become axiomatic for Section 11(e) plans to provide for payment of both secured and unsecured creditors in cash.

We have found at least eighteen instances where secured and unsecured creditors were paid in cash.†

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* H. R. Rep. No. 1318, 74th Cong., 1st Sess. (1935), pp. 49-50.

† *New York Trust Company* v. *Securities and Exchange Commission* (United Light & Power Company), 131 F. 2d 274 (C. C. A. 2nd, 1942), cert. denied 318 U. S. 786, rehearing denied 319 U. S. 781; *City National Bank & Trust Company* v. *Securities and Exchange Commission* (North American Light & Power Company), 134 F. 2d 65 (C. C. A. 7th, 1943); *In re North Continent Utilities Corp.*, 54 F. Supp. 527 (D. C. Del., 1944); *In re Consolidated Electric and Gas Co.*, 55 F. Supp. 211 (D. C. Del., 1944); *In re Laclede Gas Light Co.*, 57 F. Supp. 997 (D. C. E. D., Mo., 1944), aff'd 151 F. 2d 424 (C. C. A. 8th, 1945), cert. denied 327 U. S. 795; *In the Matter of Buffalo, Niagara and Eastern Power Corp.*, Holding Company Act Release No. 6083; *In the Matter of Pennsylvania Power & Light Co., National Power & Light Co., and Electric Bond & Share Co.*, Holding Company Act Release No. 6080; *In the Matter of Interstate Power Company*, Holding Com-

We have found none where they were not. *In re Jacksonville Gas Company,* 46 F. Supp. 852, may be claimed such an exception. There the secured creditors received 98.65% of the enterprise, the impairment of their rights was negligible and the issues here raised were not there presented, the secured creditors having not objected.

It may not be held that Congress, in enacting the Holding Company Act, delegated limitless powers of destruction to the Commission. Specifically that Act did not grant the Commission the power to void a pledge, to dilute the debentureholders' security and to give a substantial portion of it to the junior security holders.

(B) The Commission has no power to require satisfaction of debt by payment other than in cash.

In the foregoing discussion we have stated that even if the Commission has the power to direct satisfaction of unsecured debt securities by payment other than in cash, that does not embrace the power to void liens. But we do not concede—we challenge—the claim of Commission power to satisfy unsecured debt securities other than in cash. The assumption of that power in the *Standard Gas* case marked a radical departure from pre-existing Commission practice (see cases cit. ante, p. 13).

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pany Act Release No. 7143; *In the Matter of Pennsylvania Edison Co., Pennsylvania Electric Co., Associated Electric Co.,* Holding Company Act Release No. 6723; *In the Matter of North Continent Utilities Corporation and Subsidiary Companies,* Holding Company Act Release No. 6667; *In the Matter of Consolidated Electric and Gas Co.,* Holding Company Act Release No. 5630; *In the Matter of Cities Service Power & Light Co.,* Holding Company Act Release No. 4944; *In the Matter of International Utilities Corp.,* Holding Company Act Release No. 4896, p. 7; *In the Matter of United Public Utilities Corp.,* Holding Company Act Release No. 4652; *In the Matter of Puget Sound Power & Light Co.,* Holding Company Act Releases Nos. 4174 and 4255; *In the Matter of Federal Water and Gas Corp.,* Holding Company Act Release No. 3937; *In the Matter of Great Lakes Utilities Company,* Holding Company Act Release No. 3419.

This Court held in *Otis & Co.* v. *S. E. C.* (323 U. S. 624) that in a dissolution under the Holding Company Act, stockholders of the corporation, preferred and common alike, may be compelled to accept new securities in full satisfaction of their stock interest in the enterprise. But this Court has never held that a creditor, secured or unsecured, may be compelled to accept distribution in kind in satisfaction of his claim.

Obviously, the status of a creditor of a solvent company is quite different from the relation that exists between classes of stockholders and the corporation. The stockholders are the owners of the enterprise and when it is to be dissolved may properly be required to accept their aliquot share of the assets of the enterprise in kind. Creditors stand in a different relationship; they are not partners. They are claimants against the corporation with or without lien against specific assets and with contract right to insist upon payment of their claim in cash.

There can be no doubt that, absent statutory authorization, a creditor has a right to demand cash for payment of his debt in reorganization (*Geddes* v. *Anaconda Mining Co.*, 254 U. S. 590, 41 S. Ct. 209, 65 L. Ed. 425; *Coriell* v. *Morris White, Inc.*, 2 Cir., 54 F. 2d 255; *In re Northampton Portland Cement Co.*, D. C., 185 F. 542; *In re Sale of Assets of First Nat. Bank of Florence*, D. C., 6 F. 2d 905; *In re J. B. & J. M. Cornell Co.*, D. C., 186 F. 859, 201 F. 381; *In re Prudential Outfitting Co.*, D. C., 250 F. 504). There can be no doubt that there is no specific or statutory authorization in the Holding Company Act empowering the Commission to deny creditors this right and to compel them to accept payment in kind in satisfaction of a claim calling for payment in cash. Whenever that power has been exercised by reorganization courts, the specific statutory provision is to be found and subject to certain safeguards.

The asserted power of the Commission to so affect the rights of creditors, where there is no statutory provision, where there are no safeguards, has never been passed upon

by this Court. It is an issue of great moment to creditors, secured and unsecured, of holding companies and requires the definitive adjudication of this Court. It is most vital that this Court determine whether the Commission has this drastic and unusual power.

(C) Assuming the Commission's power, the term "necessary" as employed in Section 11(e) of the Holding Company Act excludes a plan destroying liens, or paying debt other than in cash, where a plan not requiring destruction is feasible.

Section 11(e), so far as it is here relevant, provides:

> "If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified, *necessary* to effectuate the provisions of subsection (b) and fair and equitable to the persons affected by such plan, the Commission shall make an order approving such plan; and the Commission, at the request of the company, may apply to a court, in accordance with the provisions of subsection (f) of section 18, to enforce and carry out the terms and provisions of such plan. If, upon any such application, the court, after notice and opportunity for hearing, shall approve such plan as fair and equitable and as *appropriate* to effectuate the provisions of section 11 * * *." (Italics ours.)

It is to be noted that Section 11(e) uses the terms "necessary" when it speaks of the Commission's duties, and "appropriate" when it describes the District Court's function.

Obviously, such terms are not synonymous. True lower Courts have held that a plan need not be the best plan to be "necessary"; it suffices if it is "appropriate". (*In re North Continent Utilities Corp.*, D. C. Del., 54 F. Supp. 527, 530; *Commonwealth & Southern Corp.* v. *S. E. C.*, 3 Cir.,

134 F. 2d 747, 751; *In re Standard Gas & Electric Co.*, D. C. Del., 63 F. Supp. 876, 878.)

It may be that "appropriate" is the equivalent of "necessary" where abstractions are involved. But the obvious Congressional distinction between the terms may not be disregarded when to ignore the distinction results in unnecessary destruction of vested property rights.

The opinions of the Commission, the District Court and of the Circuit Court disclose that in the instant case the true basis for approval of the present plan rests upon the conclusion that the method employed was "appropriate" (R. 161a, 174a). We argued below that even by these standards, the plan was inappropriate, but for present purposes, it suffices to state that neither the Commission nor the Courts below have actually found the plan to be necessary as distinguished from appropriate and we submit that where, as here, there is involved a destruction of vested property rights, in the absence of a finding of real necessity, the plan should not be approved.

We recognize that as a general rule, this Court will not review the choice of method adopted by an administrative agency in carrying out the mandate of the statute. But where the method selected does such violence to firmly established principles of law, judicial disapproval of administrative edicts is essential.

CONCLUSION

WHEREFORE, it is respectfully submitted that this petition for writs of certiorari should be granted to review the judgments of the Court below.

Respectfully submitted,

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